



*City Manager's Office*

101 CITY HALL PLAZA  
DURHAM, NC 27701  
P 919.560.4222  
F 919.560.4949

# **The American Recovery and Reinvestment Act of 2009 ("Economic Stimulus Bill")**

Signed by President Obama on February 17, 2009



# The Intent of the “Stimulus Bill”

- Create and save jobs
- Rebuild America – more globally competitive and energy independent
- Provide immediate tax cuts to 95% of American workers
- Invest in roads, bridges, mass transit, energy efficient building, flood control, clean water projects, & other infrastructure projects
- Restore science and innovation
- Quickly invest in the economy



# The Intent of the “Stimulus Bill”

- Provide Accountability & Transparency
- No earmarks



# Targeted Efforts of the Legislation

- ✓ Clean, efficient, American energy
- ✓ Modernizing Roads, Bridges, Transit, and Waterways
- ✓ Transforming our Economy with Science and Technology
- ✓ Tax Cuts for Middle-Class Families and American Businesses
- ✓ Lowering Health Care Costs and Ensuring Broader Coverage
- ✓ Helping Workers Hurt by the Recession
- ✓ Investing in Education for the 21<sup>st</sup> Century
- ✓ Providing Strong Accountability Measures



# Clean, Efficient, American energy

## Key Provisions:

1. Put people back to work immediately
2. Reduce our dependence on foreign oil
3. Increase renewable energy production
4. Renovate public buildings to make them more energy efficient



# Clean, Efficient, American energy

## Eligible Activities:

1. Smart Grid/Advanced Battery Technology/Energy Efficiency
2. Tax Incentives to Spur Energy Savings and Green Jobs
3. Landmark Energy Savings at Home (weatherization)
4. Repairing Public Housing and Making Key Energy Efficiency Retrofits to HUD-Assisted Housing



# Transforming our Economy with Science and Technology

## Key Provisions:

1. Secure America's role as a world leader in a competitive global economy
2. Renewing America's investments in basic research and development
3. Training students for an innovative/innovation economy
4. Deploying new technologies in the marketplace



# Transforming our Economy with Science and Technology

Eligible Activities:

1. Investing in Scientific Research (NSF, DOE, NIH, NASA, etc.)
2. Extending Broadband Services to underserved communities (rural & inner-city)



# Lowering Health Care Costs and Ensuring Broader Coverage

Key Provision:

1. Affordable and quality health care



# Lowering Health Care Costs and Ensuring Broader Coverage

Eligible Activities:

1. Modernizing Health Care System to Lower Costs and to Save Lives (Health Information Technology)
2. Protecting Health Care Coverage for Millions through Medicaid (helpings states maintain \$ during recession)
3. Providing Health Insurance for Unemployed Workers (COBRA subsidy)
4. Investing in Prevention & Comparative Effectiveness Research



# Investing in Education for the 21<sup>st</sup> Century

## Key Provisions:

1. Help states avoid teacher layoffs and other damaging education cuts during recession
2. Help make college more affordable
3. Make additional key investments in education



# Investing in Education for the 21<sup>st</sup> Century

## Eligible Activities:

1. Preventing Teacher Layoffs and Cuts in Education and Other Key Services by the States (establishes State Fiscal Stabilization Fund, bonus grants, modernization, renovation, and repairs)
2. Making College More Affordable (increases higher education tax credit, makes it available to low-income students, increases Pell Grant \$, and increases Work Study funding)
3. Investing in Early Childhood Development (Early Head Start & Head Start)
4. Additional Investments in Child Care Development Block Grant, Title I, & Special Education



# Modernizing Roads, Bridges, Transit, and Waterways

Key Provisions:

1. Rebuild crumbling roads and bridges
2. Modernize public buildings
3. Put people to work cleaning up our air, water, and land



# Modernizing Roads, Bridges, Transit, and Waterways

## Eligible Activities:

1. Modernizing Roads and Bridges (requires states to obligate at least ½ of highway/bridge funding within 120 days)
2. Improving Public Transit and Rail (i.e., high speed rail, reduce traffic congestion, and dependence on foreign oil)
3. Prioritizing Clean Water/Flood Control/Environmental Restoration
4. Modernizing Public Infrastructure, Including to Achieve Major Energy Cost Savings (federal & other public infrastructure that lead to long-term energy cost savings)



# Tax Cuts for Middle Class Families and American Businesses

Key Provision:

1. Provide direct tax relief to 95% of American workers



# Tax Cuts for Middle Class Families and American Businesses

## Eligible Activities:

1. Tax Relief for American Families (Making Work Pay Tax, Child Care Tax Credit, expands EITC, first-time homebuyers)
2. Business Tax Incentives to Create Jobs and Spur Investment
3. Tax Incentives to Spur Energy Savings and Green Jobs
4. Tax Incentives for State and Local Economic Development



# Help Workers Hurt by the Recession

## Key Provisions:

1. Help workers train and find jobs
2. Help struggling families make ends meet



# Help Workers Hurt by the Recession

## Eligible Activities:

1. Extending and Improving Unemployment Benefits
2. Increasing Food Stamp Benefits
3. Increasing Other Food Assistance (Emergency Food and Shelter, Meals on Wheels)
4. Helping Workers Find Jobs (job training, vocational rehab)
5. Expanding Housing Assistance (Neighborhood Stabilization Program, Emergency Shelter Grant)
6. Providing Aid to Seniors, Disabled Veterans, and SSI Recipients
7. Extending Trade Adjustment Assistance (workers who lose their jobs because of increased imports or factory shifts to foreign countries)



# Beneficial Target Areas for Durham

- ✓ Clean, efficient, American energy
  - Durham Housing Authority
  - City of Durham {Solid Waste Management, City Manager's Office/Strategic Initiatives}
- ✓ Transforming our Economy with Science and Technology
  - City of Durham {Technology Solutions}
- ✓ Lowering Health Care Costs and Ensuring Broader Coverage
  - Duke University Health System
- ✓ Investing in Education for the 21<sup>st</sup> Century
  - Durham Public Schools
  - Durham County Government



# Beneficial Target Areas for Durham

- ✓ Modernizing Roads, Bridges, Transit, and Waterways
  - Durham Housing Authority
  - City of Durham {Public Works, Water Management, Durham County}
  
- ✓ Helping Workers Hurt by the Recession
  - City of Durham {Office of Economic and Workforce Development & Duke University Health System}



# 5 Ways Stimulus Funding Becomes Available

1. By **Formula** to States and localities (i.e., Medicaid)
2. By **Competition** - responsible agencies will issue solicitations (i.e., NIH, NSF)
3. By **Demand** – some programs respond directly to eligible individuals (i.e., food stamps, Pell grants, etc.)
4. By **One-Time Automatic Disbursement** (i.e., payments of \$250 to Social Security, Veterans, & SSI beneficiaries)
5. By **Agency Plan** – some programs in the Act allocate funding according to public operating and spending plans (i.e., National parks construction, Defense and Veterans infrastructure programs)



# How the City of Durham Will Receive Most of its Funding

## 1. Existing Channels

- A. Existing Formula Allocations through Federal Agencies (i.e., U.S. Department of Labor)
- B. Existing Formula Allocations through State Agencies (i.e., N.C. Department of Transportation)
- C. Existing Formula Allocations to Municipalities (i.e., Community Development Block Grant)

## 2. Competitive Application Process



# What are we doing?

- ✓ Communicating with elected officials in Washington, D.C.
- ✓ Communicating with the Governor's Office
- ✓ Communicating with the N.C. League of Municipalities
- ✓ Communicating with the National Association of Counties
- ✓ Communicating with National and State Trade Associations/Organizations
- ✓ Communicating with peer cities



# What do we know at this point?

- The White House has established a website to learn and track information on “stimulus funding” and activities/projects. ([www.recovery.gov](http://www.recovery.gov))
- Federal and State agencies have begun issuing funding projections
- N.C. League of Municipalities is planning to issue information next week that addresses the impact of the “Economic Stimulus Bill” on N.C. cities
- Governor Beverly Perdue has named Dempsey Benton as North Carolina’s “Stimulus Czar”



# What we don't know at this point?

- What the overall impact of stimulus funding will be on Durham's economy or employment rate
- Which projects/programs/agencies/organizations will receive stimulus funding
- When stimulus funding will be "released"



# Next Steps

1. Continue monitoring the progress of potential funding opportunities
2. Convene a team of relevant City departments to outline a strategy for securing stimulus funding
3. Continue communication with elected officials, trade associations, and peer cities